



GROCERY MANUFACTURERS OF AMERICA
MAKERS OF THE WORLD'S FAVORITE BRANDS OF
FOOD, BEVERAGES, AND CONSUMER PRODUCTS

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Dear Senators and Representatives:

We are writing to express our strong support for the free trade agreement with the Dominican Republic and Central America (CAFTA-DR). CAFTA-DR offers significant benefits to the food and consumer products industry, and should be ratified as quickly as possible.

Currently, due to existing preference programs, over 80 percent of all imports and 99 percent of agricultural products from Central America enjoy duty-free access to the United States. Yet, conversely, U.S. food, beverage and consumer products currently face an average duty of 15 percent in to the CAFTA countries and 20 percent into the Dominican Republic. Some food products such as cheese and yogurt face prohibitive tariffs in excess of 60 percent in many the CAFTA-DR countries.

Under this agreement, many of these duties will be eliminated immediately, most within ten years and certain products, including breakfast cereals, soups, diapers and pet food products, will receive immediate duty-free treatment in most, if not all, Central American countries.

These market access openings translate into real opportunities for food and consumer product companies. For example, a recent study by the Grocery Manufacturers of America estimates that the potential savings from the tariff reductions and quota expansions alone for food products will be nearly \$28 million annually upon full implementation of the agreement. Upon elimination of tariffs, food exports could increase from \$359 million to \$662 million – an 84 percent increase over current exports to the region.

Finally, we believe it is very important that the agreement is comprehensive, covering all goods and commodities. Imports of key raw materials at world market prices help to maintain the competitiveness of the U.S. food and consumer product industry in the face of increased global competition.

We hope you will support the CAFTA-DR when it comes up for a vote this spring.

Sincerely,

Mr. C. Manly Molpus
President and Chief Executive Officer
Grocery Manufacturers of America

Mr. Shinichi Suzuki
President
Ajinomoto U.S.A., Inc.

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Acosta Sales & Marketing Company

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Chairman of the Board
Basic American, Inc.

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Bimbo Bakeries, USA

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Mr. Gilbert M. Cassagne
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Cadbury Schweppes Americas Beverages

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President and Chief Executive Officer
Campbell Soup Company

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Chief Executive Officer
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The Clorox Company

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Mr. Bradley A. Casper
President and Chief Executive Officer
The Dial Corporation

Mr. Richard Dahl
President and Chief Operating Officer
Dole Food Company, Inc.

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Chairman and Chief Executive Officer
Dreyer's Grand Ice Cream, Inc.

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